



CONNECTICUT SCHOOL TRANSPORTATION ASSOCIATION

455 Boston Post Road, Suite 203B, Old Saybrook, CT 06475 | (860) 953-2782 |
info@ctschoolbus.org

Energy & Technology Committee Public Hearing

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SB 92 An Act Permitting Ten-Year Contractual Periods for the Transportation of School Children in Zero-Emission School Buses

Chairmen Needleman and Arconti, Sen. Formica, Rep. Ferraro and members of the Energy and Technologies Committee, my name is Jean Cronin and I am the Executive Director of the Connecticut School Transportation Association (COSTA). I thank you for the opportunity to offer testimony on SB 92 An Act Permitting Ten-Year Contractual Periods for the Transportation of School Children in Zero-Emission School Buses.

COSTA is a trade association comprised of owners and operators of school buses, school transportation vehicles and other associate members. Together, our companies operate more than 10,000 school buses and student transportation vehicles that transport nearly 500,000 children to and from school safely each day.

Our member companies support the goal of operating cleaner emitting school buses. In fact, one of our companies has been operating a fleet of propane powered school buses in a school district for the past several years. We know cleaner buses are possible, but electric buses present a different host of issues, and I am here today to speak to the financial and practical implications of this bill.

From a financial perspective, electric school buses costs significantly more money than diesel school buses. To purchase a new diesel-powered Type 1 school bus costs \$80,000, while a new electric-powered Type 1 school bus costs \$350,000 – this is more than four times the cost difference per vehicle. This is a very expensive proposition for school districts that may be operating anywhere from 10 to dozens of school buses each day. There are approximately 8,000 of these Type 1 school buses operating in the state today.

The purchase of these vehicles would have to be amortized over the length of a school bus contract, which is why this bill proposes allowing for a 10-year school bus contract to spread out these costs. Even at 10 years, school bus companies would need to obtain grants or other assistance to defray the cost of these electric buses as the costs of these new contracts would likely be too expensive for municipal school districts to pay.

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Even with grants or subsidies, it will be very expensive for a school district to convert an entire fleet of school buses to electric. A town may only be able to afford to convert half of the fleet to electric, leaving the other half as diesel vehicles. If this is the case, what do you do with the contract length, as you now have a hybrid situation where some are electric (at \$350,000 each) and some are diesel (at \$80,000 each) so how do you structure a contract length for proper amortization of all the vehicles? It can get pretty complicated.

There are also infrastructure needs associated with electric school buses. This would include the installation of electric charging stations at the bus garage for each of the school buses, as well as electrical upgrades to the facility to be able to handle this new energy load. The costs of these upgrades, as well as the cost of charging each bus every day would have to be factored into the cost of the contract. The length of time it takes to charge a bus will also be a factor as a bus will be out of use until it is fully charged, meaning extra buses may need to be purchased to be charged and ready to cover after school sports events or extracurricular activities. Many of the school bus companies lease their garage space in the various municipalities, so there is the added issue of obtaining landlord permission to make the expensive upgrades and the associated losses of the equipment when the company vacates the site after the contract expiration.

And then there is the whole issue of power outages. What if a power outage knocks out electricity to the bus garage while the school buses are charging? These vehicles would be rendered useless until the power is restored. The outage could be part of a storm, in which case school would probably be closed anyway. But what if it was caused by some other localized reason (transformer issue, car vs/pole, etc....) that did not impact the majority of the town? Would school bus companies need to install generators to prevent against such issues? If so, these costs would need to be included into the transportation contract.

The 10-year contracts, although not mandatory under the bill, would present another problem for school bus companies. The typical contract length now is five years, which was done to allow for the amortization of the new bus purchases that most towns require under a new contract. Longer contracts are a problem for school bus companies as they grapple with the issue of wage stagnation and the need to be able to increase their drivers' wages in a very competitive market on a more regular basis. This has been more pronounced since the COVID epidemic and the extreme bus driver shortage. The company is forced to pay more each year in wages to get the needed drivers, but the contract is held steady for the 5-year duration. School bus companies would be forced to absorb these extra expenses until the contract renewal. This will be an even worse situation with a 10-year contract. Some of the school bus companies have unionized drivers. Would these unions be interested in holding contract wages steady for 10 years?

We also have some concerns about the various EV grant programs that are currently available and the criteria that is required to apply for them. Some of these programs require that you destroy a vehicle that is 2009 or older in order to receive a grant. With the 5-year school bus replacement requirements from some of these school districts, many companies do not have any old buses left to destroy. Therefore, they are unable to apply for the grants.

As you can see, there are many issues associated with the transition to electric school buses and the longer contract periods allowed under this bill. We are pleased to see the language is

permissible and not a mandate, but we believe further study is needed on the costs and practicalities of electric school bus operation before school districts can make an informed decision to convert. While the underlying intent of the bill is laudable, the reality is going to be challenging unless the school districts have the money in their budgets to increase their school transportation contracts significantly to help pay for these electric vehicles.

I appreciate the outreach that was provided to me by the Save the Sound, the Green Bank and other proponents to discuss the opportunities and challenges presented by this legislation. COSTA is committed to continue working with legislators, environmental groups and other stakeholders to help promote the increased use of zero carbon school buses in a practical and financially realistic manner.

I thank you for the opportunity to share our concerns, and I would be happy to answer any questions.